

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY TOKYO

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY COPENHAGEN

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY MADRID

AMEMBASSY LISBON

AMEMBASSY BONN

AMEMBASSY VIENNA

AMEMBASSY HELSINKI

AMEMBASSY STOCKHOLM

AMEMBASSY NAIROBI

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FOLLOWING REPEAT DAKAR 0804 SENT ACTION SECSTATE INFO USUN NEW YORK

GENEVA USEC BRUSSELS ALGIERS BELGRADE BRASILIA BUENOS AIRES

CARACAS LIMA NEW DELHI PANAMA PARIS QUITO 06 FEB 75

QUOTE LIMITED OFFICIAL USE DAKAR 0804

E.O. 11652: N/A

TAGS: ETRD, EGEN,

SUBJECT: DAKAR COMMODITIES CONFERENCE: ORGANIZATION AND EARLY  
TRENDS

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DEPT PLEASE PASS OTHER POSTS AS APPROPRIATE

REF: DAKAR 0797 (NOTAL)

1. ON THIRD DAY OF DAKAR CONFERENCE ON COMMODITIES (DCC) ORGANIZATION OF CONFERENCE WORK AND LEADERSHIP ROLE OF CERTAIN COUNTRIES BECOMING CLEARER. COMMITTEE MEMBERSHIP AS REPORTED DAKAR 0765. ALGERIA IS HEAD OF DRAFTING COMMITTEE. COMMITTEE HEADED BY VENEZUELAN RUMOLDO FIGUERIEDO IS, IN EFFECT, COMMITTEE OF WHOLE. THIS COMMITTEE FORMED AS WORKING COMMITTEE TO DEBATE AND DECIDE ISSUES. OPENING STATEMENTS IN PLENARY ARE TO END TODAY. VICE PRESIDENT OF COMMITTEE ON WHOLE IS HEAD OF INDIAN DELEGATION. RAPPORTEUR IS HEAD OF IVORY COAST DELEGATION. ALTHOUGH SENEGALESE CLAIM 110 DELEGATIONS PRESENT AT DAKAR, ACCORDING TO OUR SOURCES ONLY ABOUT 50-70 DELEGATIONS ARE PARTICIPATING ACTIVELY AT CONFERENCE HALL. ALGERIA IS PLAYING LEADERSHIP ROLE. OTHER COUNTRIES WHICH HAVE BEEN PARTICULARLY ACTIVE IN EARLY SESSIONS INCLUDE: SENEGAL, ARGENTINE, PAKISTAN, INDIA, YUGOSLAVIA, PERU, AND VENEZUELA.

3. ARGENTINE PROPOSAL THAT "MEASURES TO BE TAKEN TO FACILITATE INTERNATIONAL COOPERATION BETWEEN DEVELOPED AND DEVELOPING COUNTRIES" BE INCLUDED ON AGENDA WAS ALTERED LATE YESTERDAY SO THAT APPLICABLE AGENDA ITEM NOW REPORTEDLY READS: "REINFORCEMENT OF THE SOLIDARITY OF THE DEVELOPING COUNTRIES IN THEIR ECONOMIC RELATIONS WITH THE INDUSTRIALIZED COUNTRIES." THUS, TUG OF WAR BETWEEN NATIONS WHO WANT MODERATE APPROACH TO RELATIONS WITH DC'S AND OTHERS WHO WISH STRESS LDC SOLIDARITY CONTINUES WITH EARLY INDICATIONS THAT LATTER ARE IN MAJORITY. HOWEVER, MANY APC COUNTRIES WHO RECENTLY COMPLETED THEIR NEGOTIATIONS WITH EEC ARE AMONG THOSE TAKING MORE MODERATE STANCE. APPARENTLY THIS REFLECTS AWARENESS OF THEIR CONTINUED DEPENDENCE ON EEC ESPECIALLY AS MARKETS FOR THEIR AGRICULTURAL EXPORTS. SENEGAL, FOR EXAMPLE, ENDORSED ARGENTINE AGENDA ITEM WHICH STRESSED COOPERATIVE APPROACH TOWARDS DEVELOPED COUNTRIES.

4. QUESTION OF ARAB AID TO OTHER LDC'S ALSO LIVE ONE AT CONFERENCE, THOUGH, AS FAR AS WE KNOW, NO SPECIFIC RESOLUTION ON THAT QUESTION HAS YET BEEN FORMULATED. ALGERIANS ARE REPORTEDLY ONLY OPEC NATION TO TAKE STRONG STAND FOR MEASURES LIKELY TO LIMITED OFFICIAL USE

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REQUIRE FINANCING BY CAPITAL SURPLUS OF OPEC COUNTRIES. OTHER ARAB STATES PRESENT AT CONFERENCE HAVE REMAINED QUIET. ACCORDING TO ONE OBSERVER, OMANIS AND OTHER ARAB COUNTRIES ARE LISTENING BUT NOT TALKING AND ARE SUSPICIOUS WITH RESPECT AFRICAN AND OTHER LDC PROPOSALS. AT SAME TIME, THOUGH CAREFULLY KEPT OUT OF SPEECHES, THERE IS UNDERCURRENT RUNNING AMONG AFRICANS AND OTHERS THAT OPEC COUNTRIES AND ARABS SHOULD DO MORE FOR LESS FORTUNATE LDC'S. ARTICLE SENEGALESE DAILY LE SOLEIL SAYS, FOR EXAMPLE,

"QUESTION OF PETRO-DOLLARS STOCKED IN WESTERN BANKS MIGHT BE THE OBJECT OF EXCHANGE OF VIEWS BETWEEN PETROLEUM PRODUCERS AND OTHER DEVELOPING COUNTRIES" AND "CERTAIN AFRICAN PARTICIPANTS WISH FOR TRANSFER OF ARAB DOLLARS INTO SPECIALIZED BANKS, EXISTING OR TO BE CREATED AT SUB-REGIONAL LEVELS OF THE CONTINENT." ARTICLE CONCLUDES PETROLEUM PRODUCERS PROBABLY WILL NOT BE RETICENT SINCE THEY ARE DETERMINED CREATE A UNIFIED, THIRD-WORLD, ECONOMIC PRESSURE GROUP.

5. JANKO SMOLE, HEAD OF YUGOSLAV DELEGATION GAVE SPEECH FEB 5 WHICH ILLUSTRATES CURRENT DIRECTION OF DEBATE. SMOLE STRONGLY ENDORSED PROGRAM FOR DCC PREPARED BY INTERGOVERNMENTAL GROUP ON RAW MATERIALS UNDER CHAIRMANSHIP OF ALGERIA. CITED MULTINATIONAL CORPORATIONS AND OTHER NEO-COLONIALIST THREATS TO LDC ECONOMIC DEVELOPMENT, DESCRIBED OPEC OIL PRODUCERS GROUP AS INSPIRING EXAMPLE FOR ORGANIZING OTHER COMMODITY PRODUCING COUNTRIES. SMOLE CALLED FOR CREATION OF ORGAN FOR CONSULTATION AND COORDINATION AMONG OPEC-STYLE CARTELS TO BE ESTABLISHED FOR VARIOUS COMMODITIES. IN THAT CONTEXT, HE CALLED FOR EXPANDED MANDATE FOR INTERGOVERNMENTAL GROUP AND FOR DELEGATION TO THAT GROUP OF AUTHORITY TO ENGAGE EXPERTS TO STUDY QUESTIONS OF BUFFER STOCKS AND INDEXATION. SMOLE RECOGNIZED THAT SOLUTIONS COULD BE FOUND ONLY ON BASIS OF EQUITABLE AND CONSTRUCTIVE COOPERATION AMONG ALL NATIONS, BUT DCC MUST CREATE UNIFIED BASIS FOR DIALOGUE. SMOLE SAID YUGOSLAVIA FEELS FRENCH SUGGESTION FOR PRODUCER-CONSUMER MEETING ON OIL SHOULD BE EXPANDED TO CONSIDER ALL RAW MATERIALS AND ALL COUNTRIES. HE ALSO CALLED ON OPEC MEMBERS TO OFFER FINANCIAL ASSISTANCE TO POOREST LDC'S IN FINANCING BUFFER STOCKS, FOOD PRODUCTION, RAW MATERIALS PROCESSING, AND IN OTHER AREAS.

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6. MANY DELEGATIONS AT CONFERENCE ARE MAKING POINT THAT LDC'S MUST DEPEND ON THEMSELVES, THAT HISTORY OF LAST DECADE HAS PROVED FOREIGN AID NOT SOLUTION TO LDC'S PROBLEM. SAME DELEGATIONS NOW SEEM TO BE RELYING ON CREATION OF COMMODITY CARTELS AND OTHER MEASURES TO VALUE UPWARD AND STABILIZE RAW MATERIALS EXPORT PRICES TO SECURE THEIR FUTURE DEVELOPMENT. THERE ARE NUMEROUS PROPOSALS FOR FORMATION OF ADDITIONAL PRODUCERS' ASSOCIATIONS AND FOR SOME SORT OF UMBRELLA ORGANIZATION TO COORDINATE WORK OF PRODUCERS' ORGANIZATIONS AND START NEW ONES. ONE OR MORE OF THESE PROPOSALS SEEMS LIKELY TO BE ADOPTED.

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